

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 97-056-C - ORDER NO. 97-456 ✓
MAY 27, 1997

IN RE: Application of Easton Telecom Services,) ORDER
Inc. for a Certificate of Public Convenience) APPROVING
and Necessity to Provide Local Telecommuni-) AMENDMENT TO
cations Services Statewide.) CERTIFICATE
) TO PROVIDE
) LOCAL
) SERVICE

This matter comes before the Public Service Commission of South Carolina ("the Commission") by way of the application of Easton Telecom Services, Inc. ("Easton" or "the Company"). The Application requests that the Commission amend Easton's Certificate of Public Convenience and Necessity to grant Easton the authority to provide resold and facilities-based local exchange telecommunications services in the State of South Carolina. The Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1996), and the Regulations of the Commission.

By letter dated February 14, 1997, the Commission's Executive Director instructed Easton to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings. Easton complied with this instruction and provided

the Commission with proof of publication of the Notice of Filing. Petitions to Intervene were received from BellSouth Telecommunications, Inc. ("BellSouth") and the South Carolina Telephone Coalition ("SCTC").

A hearing was convened on May 14, 1997, at 2:30 a.m. in the Commission's Hearing Room. The Honorable Guy Butler, Chairman, presided. Easton was represented by John F. Beach, Esquire. The Commission Staff ("Staff") was represented by Florence P. Belser, Staff Counsel. BellSouth did not appear at the hearing.

Prior to the hearing, Easton and the SCTC executed a Stipulation dated May 6, 1997. As a result of the Stipulation, SCTC withdrew its intervention in the Docket. The Stipulation provides the following:

(1) The SCTC did not oppose the granting of a statewide Certificate of Public Convenience and Necessity to Easton if the Commission made the necessary findings to grant the Certificate and if all stipulated conditions are met;

(2) Easton agreed that any Certificate granted by the Commission will authorize Easton to provide service only to customers located in non-rural local exchange company ("LEC") service areas except as otherwise provided;

(3) Easton agreed that it did not request the Commission to find whether competition is in the public interest for rural areas;

(4) Easton agreed that it would not provide local service, by its own facilities or otherwise, to any customer in a rural incumbent LEC's service area, unless and until Easton provides such

rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Easton also acknowledged that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause;

(5) Easton agreed that if, after Easton gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law, or the Commission institutes a proceeding of its own, then Easton will not provide service to any customer located within the service area in question without prior and further Commission approval;

(6) Easton acknowledged that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures and guidelines do not conflict with Federal or State law;

(7) Easton and the SCTC agreed that all rights under Federal

and State law are reserved to the rural incumbent LECs, and that the stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled; and

(8) Easton agreed to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

This stipulation is consistent with our decision in Order No. 96-494 (Docket No. 96-073-C). It was signed voluntarily by both the SCTC and Easton and was filed with the Commission prior to the hearing in this matter. We therefore accept the stipulation.

In support of its Application, Easton presented Robert Mocas to testify. Mr. Mocas is President of Easton. The purpose of Mr. Mocas' testimony was to (1) present evidence on the technical, managerial, and financial abilities of Easton to provide local exchange telecommunications services in South Carolina and (2) to discuss the services Easton proposes to offer. Mr. Mocas testified that Easton proposes to offer local exchange services primarily over digital fiber optic telecommunications networks that Easton either owns or leases.

DISCUSSION

S.C. Code Ann. §58-9-280 (Supp. 1996) provides that the Commission may grant a certificate to operate as a telephone utility ... to applicants proposing to furnish local telephone service in the service territory of an incumbent LEC.

After full consideration of the applicable law, Easton's Application, and the evidence presented at the hearing, the Commission finds and concludes that the Certificate sought by Easton should be granted. The Commission's determination is based on the following criteria as provided in S.C. Code Ann. §58-9-280 (Supp. 1996) and the evidence presented at the hearing which relates to that criteria:

(1) The Commission finds that Easton possesses the technical, financial, and managerial resources sufficient to provide the services requested. S.C. Code Ann. §58-9-280(B)(1) (Supp. 1996). To demonstrate Easton's technical qualifications, Mr. Mocas testified that Easton provides long distance telecommunications services pursuant to Commission authorization. The Application reveals that Easton was authorized to provide intrastate resold telecommunications service in 1996. Concerning Easton's managerial qualifications, Mr. Mocas testified that Easton's management team has considerable experience in management, marketing, network operations, revenue requirements, customer service, and financial and accounting issues. Regarding Easton's financial resources, the record reveals that Easton is a corporation organized under the laws of the State of Ohio. Mr. Mocas testified that Easton has sufficient financial means to provide the services for which Easton seeks authority. No other party offered any evidence in opposition to Mr. Mocas' testimony. Based on the undisputed evidence of the record, the Commission finds that Easton possesses the technical, financial, and managerial resources sufficient to provide the

services requested.

(2) The Commission finds that Easton will provide services that will meet the service standards of the Commission. S.C. Code Ann. §58-9-280(B)(2) (Supp. 1996). Mr. Mocas testified that Easton seeks to provide intrastate local exchange services. Mr. Mocas specifically stated that Easton will comply with all applicable rules, policies, and statutes applicable to the offering of those services and that Easton fully intends to meet the Commission's service standards. Mr. Mocas also testified to the Company's ability to handle customer service requests. As well, Mr. Mocas assured the Commission that Easton would maintain a regulatory contact person as required by Commission regulation. No party offered any evidence to dispute Mr. Mocas' testimony. Based on the undisputed testimony from Mr. Mocas, the Commission believes, and so finds, that Easton will provide telecommunications services which will meet the service standards of the Commission.

(3) The Commission finds that Easton's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. §58-9-280(B)(3) (Supp. 1996). Mr. Mocas' prefiled testimony reveals that Easton anticipates that approval of its Application will increase competition for basic local exchange services, will provide competitive pricing on local exchange services, increased customer choice, efficient use of the network, and will ensure a wide variety of services and prices. No party offered any evidence that the provision of local exchange service by Easton would adversely affect local rates. Therefore,

based on the undisputed evidence of record, the Commission finds that provision of local exchange services by Easton will not adversely impact affordable local exchange service.

(4) The Commission finds that Easton will support universally available telephone service at affordable rates. S.C. Code Ann. §58-9-280(B)(4) (Supp. 1996). Mr. Mocas testified that Easton will comply with the Commission's universal service requirements. No party disputed Mr. Mocas' testimony. Based on the undisputed evidence of record, the Commission finds that Easton will participate in support of universally available telephone service at affordable rates.

(5) The Commission finds that the provision of local exchange service by Easton "does not otherwise adversely impact the public interest." S.C. Code Ann. §58-9-280(B)(5) (Supp. 1996). Mr. Mocas offered that the competition of Easton offering services in South Carolina will benefit customers. Further, Mocas offered that certification of Easton to provide local exchange service will increase competition in the South Carolina telecommunications marketplace thereby ensuring a wide variety of services and prices and increased customer choice. Mr. Mocas' testimony was undisputed as no party offered any evidence that approval of Easton's Application would adversely impact the public interest. Therefore, the Commission finds that approval of Easton's Application for a Certificate to provide local exchange service "does not otherwise adversely impact the public interest." S.C. Code Ann. §58-9-280(B)(5) (Supp. 1996).

Therefore, based on the findings above, the Commission finds and concludes that the Certificate sought by Easton should be granted.

IT IS THEREFORE ORDERED THAT:

1. The Application of Easton to amend its Certificate of Public Convenience and Necessity to grant Easton the authority to provide resold and facilities-based local exchange telecommunications services in the State of South Carolina is approved. Easton is hereby authorized to provide intrastate resold and facilities-based local exchange service in South Carolina.

2. Easton shall file, prior to offering local exchange services in South Carolina, a final tariff of its service offerings. The final tariff shall include the modifications and changes to the proposed tariff to which Easton agreed with the Commission Staff.

3. Easton shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, and tests and repairs. In addition, Easton shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. Easton shall file with the Commission the names, addresses, and telephone numbers of these representatives within thirty (30) days of receipt of this Order. (Attachment A shall be utilized for the provision of this information to the

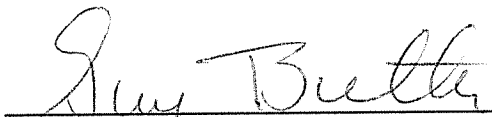
Commission.) Further, Easton shall promptly notify the Commission in writing if the representatives are replaced. Easton is directed to comply with all Commission regulations unless expressly waived by the Commission.

4. Easton shall conduct its business in accordance with Commission decisions and Orders, both past and future, including, but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

5. The Stipulation filed by Easton and the SCTC is approved by this Commission, is binding upon Easton and the SCTC, and shall be implemented as set forth in the Stipulation. We therefore make no findings or conclusions regarding competition in the rural areas of South Carolina.

6. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)

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ATTACHMENT B

INFORMATION OF THE AUTHORIZED UTILITY REPRESENTATIVES
FOR INTEREXCHANGE, LOCAL AND AOS COMPANIES

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION
REGULATION 103-612.2.4(b), each utility shall file and
maintain with the Commission the name, title, address, and
telephone number of the persons who should be contacted in
connection with Customer Relations/Complaints.

Company Name/DBA Name

Business Address

City, State, Zip Code

Authorized Utility Representative (Please Print or Type)

Telephone Number

Fax Number

E-Mail Address

This form was completed by

Signature

If you have any questions, contact the Consumer Services
Department at 803-737-5230

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ATTACHMENT A

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS
FOR INTEREXCHANGE COMPANIES AND AOS'S

COMPANY NAME

FEI NO.

ADDRESS

CITY, STATE, ZIP CODE

PHONE NUMBER

- (1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.
- (2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.
- (3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS* FOR 12
MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.
- * THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION
WORK IN PROGRESS, ACCUMULATED DEFERRED INCOME TAX,
CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER DEPOSITS.
- (4) PARENT'S CAPITAL STRUCTURE* AT DECEMBER 31 OR FISCAL YEAR
ENDING _____.
- * THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION
PAYABLE), PREFERRED STOCK AND COMMON EQUITY.
- (5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.
- (6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE
AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS
WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT
(SEE #3 ABOVE).

SIGNATURE

NAME (PLEASE TYPE OF PRINT)

TITLE